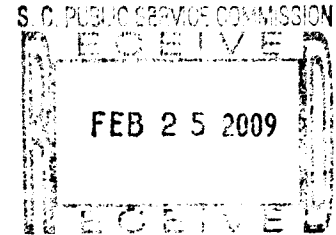




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215388  
526 S. Church St.  
Charlotte, N. C. 28202  
Carol E. Shrum, Vice President  
Duke Energy Carolinas  
EC12K / P.O. Box 1006  
Charlotte, N. C. 28201-1006  
704 382-9826  
704 382-4671 fax

February 24, 2009



The Honorable Charles Terreni  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC  
for the twelve months ending December 31, 2008. Please feel free  
to call me at (704) 382-9826 or Phil Stillman at (704) 382-8070.

Yours truly,

*Carol E. Shrum*

Carol E. Shrum  
Rates & Regulatory Accounting

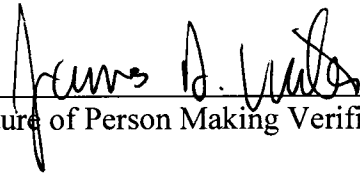
Enclosure

cc: Mr. Dukes Scott  
Executive Director  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

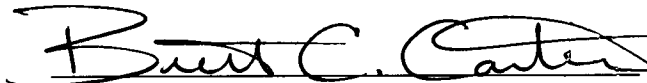
I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting  
Title

02/23/09  
Date Signed

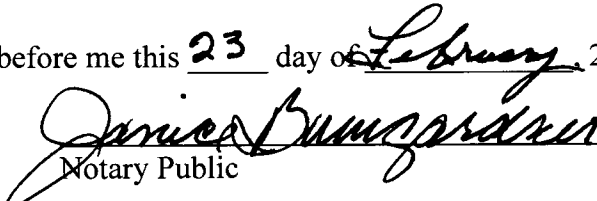
  
Signature of President

Brett C. Carter  
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas  
Title

02/23/09  
Date Signed

Subscribed and sworn to before me this 23 day of February, 2009.

  
Notary Public

My Commission Expires: 08/17/09

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	<u>\$5,882,734</u>		<u>\$1,379,045</u>	<u>(\$1,296)</u>	<u>\$1,377,749</u>
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,631,220		386,296	(1,132)	385,164
3	Purchased power and net interchange	254,272		48,745	32	48,777
4	Wages, benefits, materials, etc.	1,621,183		390,769	1,230	391,999
5	Depreciation and amortization	720,864		173,505	8,344	181,849
6	General taxes	313,617		63,053	4,219	67,272
7	Interest on customer deposits	3,843		459	0	459
8	Income taxes	387,963		91,833	(4,800)	87,033
9	Amortization of investment tax credit	(8,086)		(1,910)	9	(1,901)
10	Total electric operating expenses	<u>4,924,876</u>		<u>1,152,750</u>	<u>7,902</u>	<u>1,160,652</u>
11	Operating income	<u>\$957,858</u>		<u>226,295</u>	<u>(9,198)</u>	<u>217,097</u>
12	Add: Customer growth adjustment				1,253	1,253
13	Income for return			<u>\$226,295</u>	<u>(\$7,945)</u>	<u>\$218,350</u>
14	Original cost rate base (b)			<u>\$2,717,720</u>	<u>\$157,989</u>	<u>\$2,875,709</u>
15	Rate of return on South Carolina retail rate base			<u>8.33%</u>		<u>7.59%</u>

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.



Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$3,578			(\$1,402)		(\$2,176)
2	To annualize wage rate increases				\$2,601		\$640		(1,270)		(1,971)
3	To annualize property taxes on year end plant						2,729		(1,069)		(1,660)
4	To reflect CWIP closings to plant					5,489	1,085		(2,575)		(3,999)
5	To adjust income taxes to reflect interest synchronization								659		(659)
6	To exclude Greenwood operations	(1,296)	(\$1,132)	\$32	(1,371)	(723)	(235)	\$0	857	\$9	1,267
7	Total adjustments	(\$1,296)	(\$1,132)	\$32	\$1,230	\$8,344	\$4,219	\$0	(\$4,800)	\$9	(\$9,198)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$24,281,780		\$5,802,119	\$172,636	\$5,974,755
2	Less: Accumulated depreciation and amortization	(11,195,665)		(2,649,596)	(9,067)	(2,658,663)
3	Net electric plant	13,086,115		3,152,523	163,569	3,316,092
4	Add: Materials and supplies	654,486		161,691	5,883	167,574
5	Working capital investment	754,937		168,495	0	168,495
6	Plant held for future use	3,376	43.3664%	1,464	0	1,464
7	Less: Accumulated deferred taxes	(2,084,832)		(645,437)	0	(645,437)
8	Operating reserves	(437,180)		(107,399)	0	(107,399)
9	Customer deposits	(69,467)		(13,617)	0	(13,617)
10	Greenwood				(11,463)	(11,463)
11	Total original cost rate base	\$11,907,435		\$2,717,720	\$157,989	\$2,875,709

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$12,200,665		\$2,856,944	\$109,368	\$2,966,312
2	Transmission	2,321,129	18.6500%	432,891	10,867	443,758
3	Distribution (b)	8,090,331	25.8365%	2,090,258	46,929	2,137,187
4	General	562,322	24.3931%	137,168	5,419	142,587
5	Intangible	290,451	24.2548%	70,448	53	70,501
6	Subtotal	23,464,898		5,587,709	172,636	5,760,345
7	Nuclear fuel	816,882	26.2474%	214,410		214,410
8	Total electric plant in service	<u>\$24,281,780</u> (a)		<u>\$5,802,119</u>	<u>\$172,636</u>	<u>\$5,974,755</u>

Notes: (a) Excludes electric plant held for future use of.....  
and electric plant acquisition adjustments of.....  
and other electric plant adjustments of.....  
(b) The accounting adjustment in Col. 3 represents  
non-growth related additions to distribution plant.

\$3,376  
\$284  
\$825

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$5,945,139		\$1,323,685	\$5,526	\$1,329,211
2	Transmission	1,081,992	18.5430%	200,634	580	201,214
3	Distribution	3,404,543		929,039	2,842	931,881
4	General	49,017	24.3481%	11,935	108	12,043
5	Intangible	<u>231,195</u>	24.7945%	<u>57,324</u>	<u>11</u>	<u>57,335</u>
6	Subtotal	10,711,886		2,522,617	9,067	2,531,684
7	Nuclear fuel	<u>483,779</u>	26.2474%	<u>126,979</u>		<u>126,979</u>
8	Total accum depreciation and amortization	<u>\$11,195,665</u> (a)		<u>\$2,649,596</u>	<u>\$9,067</u>	<u>\$2,658,663</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$170



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$233,109	26.2474%	\$61,185	\$5,204	\$66,389
2	Oil	32,767	26.2474%	8,600	679	9,279
3	Total fuel stock	265,876		69,785	5,883	75,668
4	Other electric materials and supplies and stores clearing	388,610	23.6500%	91,906	0	91,906
5	Total materials and supplies	\$654,486		\$161,691	\$5,883	\$167,574

Notes: (a) Adjustment to per book coal inventory balance  
to reflect target inventory level.

Coal inventory target level (in tons)  
Price per ton - coal

2,867,440  
\$88.21

Total company pro forma inventory  
Per book coal inventory  
Coal adjustment

\$252,937

26.2474%

\$66,389

61,185

\$5,204

(b) Adjustment to per book oil inventory balance  
to reflect target inventory level.

Oil inventory target level (in gallons)  
Price per gallon - oil

21,042,000  
\$1.68

Total company pro forma inventory  
Per book oil inventory  
Oil adjustment

\$35,351

26.2474%

\$9,279

8,600

\$679

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$3,112,594</u>		<u>\$740,270</u>		<u>\$740,270</u>
2	1/8 of O&M expenses on line 1	\$389,074		\$92,534		\$92,534
3	Less: Average taxes accrued	<u>(108,620)</u>		<u>(31,980)</u>		<u>(31,980)</u>
4	Subtotal	280,454		60,554	\$0	60,554
5	Required bank balances	1,718	23.5455%	405		405
6	Bond reacquisition premiums	93,793		14,636		14,636
7	Prepayments	378,972	24.5137%	92,900		92,900
8	Total working capital investment	<u>\$754,937</u>		<u>\$168,495</u>	<u>\$0</u>	<u>\$168,495</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$1,953,399	24.4189%	\$476,999	\$0	\$476,999
2	Transmission	77,771	18.5404%	14,419	0	14,419
3	Distribution	128,754	25.8365%	33,266	0	33,266
4	General	27,267	24.3931%	6,651	0	6,651
5	Intangible	186,953	24.2548%	45,345	0	45,345
6	Total construction work in progress	<u>\$2,374,144</u>		<u>\$576,680</u>	<u>\$0</u>	<u>\$576,680</u>

Line No.	Description	
	12 Months Ended December 31, 2008	
1	SEC Fixed Charges Coverage	3.66
2	Earnings per Share	\$1.21

Line No.	Item	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$2,224,725			\$1,708,333	76.7885%	\$516,392	23.2115%
2	Commercial	\$1,792,380			\$1,400,536	78.1384%	\$391,843	21.8616%
3	Industrial	\$1,056,213			\$636,553	60.2674%	\$419,661	39.7326%
4	Public Street & Hghwy Lighting	\$34,645			\$29,706	85.7441%	\$4,939	14.2559%
5	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
6	Sales for Resale:							
7	Special Contract	\$415,730	\$235,558	56.6611%	\$179,814	43.2526%	\$359	0.0862%
8	Other	\$79,209	\$79,209	100.0000%	\$0		\$0	
9	Total Rev from Sales of Electricity	<u>\$5,602,902</u>	<u>\$314,766</u>	5.6179%	<u>\$3,954,942</u>	70.5874%	<u>\$1,333,193</u>	23.7947%
<u>Kilowatthour Sales (000s)</u>								
10	Residential	27,334,826			20,792,561	76.0662%	6,542,264	23.9338%
11	Commercial	27,288,247			21,488,026	78.7446%	5,800,221	21.2554%
12	Industrial	22,633,600			13,441,483	59.3873%	9,192,118	40.6127%
13	Public Street & Hghwy Lighting	284,297			241,984	85.1166%	42,313	14.8834%
14	Interdepartmental	0			0	0.0000%	0	0.0000%
15	Sales for Resale:							
16	Special Contract	6,473,011	3,667,681	56.6611%	2,799,748	43.2526%	5,583	0.0862%
17	Other	1,756,294	1,756,294	100.0000%				
18	Total KWH Sales	<u>85,770,276</u>	<u>5,423,975</u>	6.3238%	<u>58,763,802</u>	68.5130%	<u>21,582,499</u>	25.1631%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	8.14			8.22		7.89	
20	Commercial	6.57			6.52		6.76	
21	Industrial	4.67			4.74		4.57	
22	Public Street & Hghwy Lighting	12.19			12.28		11.67	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	6.42	6.42		6.42		6.42	
26	Other	4.51	4.51					
27	Total Revenue per KWH Sold	6.53	5.80		6.73		6.18	